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### **Foreword**

We know the power of research. Understanding the state of social enterprise in Plymouth in 2013 led to us becoming the UK's first Social Enterprise City. That, in turn, led to millions of pounds worth of investment and business advice for our social enterprises.

Now, six years later, this report shows how that city badge and that investment has helped develop social enterprises in Plymouth. There are more of them. They employ more people. They work in the most disadvantaged areas and bring in more, much needed, income to the city's communities.

But more than that. This research shows us that a better way of doing business is not a work of fiction. It is real; right here and now in our great city. And it is growing.

We face serious social, economic and environmental problems in Plymouth and the wider world. People and planet are not distinct from the economy, they are the economy. This report illustrates that social enterprises in all their forms, be they co-operatives, community businesses, community interest companies, trading charities and more, are creating a more compassionate, fairer, more diverse and more environmentally sustainable society through their work.

We cannot rest though. The research highlights that Plymouth's social enterprises could do more to pay the Real Living Wage more often and we need more community businesses and social enterprises directly selling to the public – a great opportunity to rejuvenate our stagnating high streets.

Thank you to all who contributed to this report: the researchers and writers, Transform Research Consulting. The funders, Power to Change. And to the social enterprises, members of Plymouth Social Enterprise Network, and others who took part and who demonstrate that you are making the city a better place though your fabulous work.

Let us press for ever more business with good cause in Plymouth in the coming years.

#### **Gareth Hart**

Director, Plymouth Social Enterprise Network

# **Economic Impact**

# Key Messages

The sector is a major contributor to Plymouth's economic wellbeing



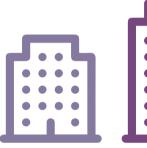
2 out of 5

of the largest employers in the city are social enterprises

200 social enterprises and community businesses in Plymouth:

- Employing around 9,100 people
- Bringing in up to £580 million income each year

Since 2015, the sector has grown significantly across Plymouth





+33%

more social enterprises and community business

+25%

more people are employed in the sector

Most social enterprises & community businesses are very ambitious



**55%** 

plan to grow

50%

increased their turnover in the last year

# Social Impact

# Key Messages

The sector employs more women than men in all roles



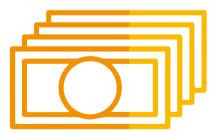
80%

of employees are women

**56%** 

of leadership team members are women

The sector works to lessen inequality and targets deprived areas.



61%

pay at least the real living wage

**50**+

organisations working in Stonehouse/Devonport

Many social enterprises & community businesses have multiple aims



68%

improve health and wellbeing

**58%** 

supporting a particular community and/or vulnerable adults or children

**95**%

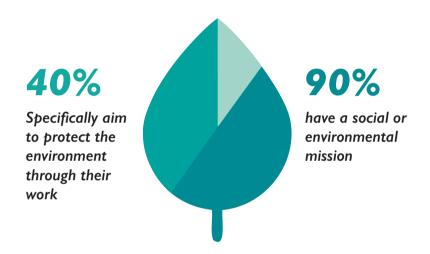
involve employees in business decision making 94%

offer support around employee wellbeing

## **Environmental Value**

# Key Messages

Social enterprises & community businesses have a clear mission



Among organisations that are aiming to protect the environment



41%

say grant funding is the main barrier they face in the next 12 months 35%

say lack of demand/ Brexit/economic uncertainty is the main barrier Across the UK, the sector is reducing its environmental impact



88%

of social enterprises aim to actively minimise environmental impact 65%

expect to increase their focus on sustainability next year

# **Key Findings**

### The scale of the sector

200 Social enterprises (SEs) and community businesses (CBs) currently operate in the city.

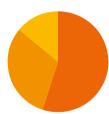
Representing all parts of Plymouth's economy, but clustered in three main areas:

- Culture/leisure (18%)
- Education/training/childcare (24%)
- Health/social care (18%)

9100 People are employed in the sector.

£560-580m Total turnover of the sector.

### Plans for next 12 months



Over half of the sector are planning for growth and one third for continuity.

SEs & CBs in some sectors are more likely to be aiming for growth:

- Creative/leisure
- Education/training
- Health/social care

### Improving long-term sustainability

The support and advice that would help most SEs & CBs improve their sustainability is:

92% Marketing, branding, PR

89% Accessing external finance, such as funding applications

87% Making effective use of digital technology

87% Measuring social value

# The Sector is dominated by a few very large organisations

The largest 20 employers account for 93% of employees in the sector.

80% of SEs & CBs are micros with less than 10 employees.

The two largest organisations – Plymouth University & Livewell SW – account for two thirds of turnover & employees between them.

# **Key Findings**

### **Delivering across Plymouth**

SEs & CBs operate all over the city, often working in the most deprived areas with the hardest to reach people.

### Growth support required

Micro SEs & CBs who are planning to grow have distinct business support needs. For organisations with a turnover of < £100k and/or fewer than 10 employees:

- Accessing external finance
- Making effective use of digital technology and entering new markets
- People management/staff recruitment
- · Regulations and tax issues

### Impact and distribution of power

- 69% Measure their social outputs and outcomes.
- 94% Offer support to help employee wellbeing.
- Involve employees in decision making to "a large or some extent".
- 77% Involve beneficiaries to "a large or some extent".

#### Mission and aims

90% have a clear social or environmental mission and many have multiple aims:

- 68% Improving health and wellbeing.
- 58% Improving a particular community.
- 58% Supporting vulnerable adults or children.
- 50% Supporting other SEs/CBs.

### Governance, Equality & Living Wage

#### Governance models

 Most are Community Interest Companies (54%) or Companies Limited by Guarantee (16%).

#### Leadership teams

- 90% have women on their leadership team
- Women hold over half of the positions in these senior leadership teams (56%).

### Real Living Wage

- Two thirds pay at least the Living Wage of £9/hour to all staff 18+.
- Among larger organisations with turnover of £100,000k+, this figure increases to three quarters.

### Recommendations

The research found that there are many challenges and barriers to be tackled if social enterprises and community businesses are to develop sustainably. These challenges include both internal capacity and capability as well as the external environment, including the markets in which social enterprises operate and public perception and awareness of the difference that they can make. Our recommendations are:

# Specialist, sustained, one-to-one business advice with peer-to-peer and networking approaches embedded

Social enterprises need specialist, sector-knowledgeable advisers and for the best results, these relationships should be one-to-one and sustained for six months or more. Furthermore, one-to-one advice can be enhanced by networking and peer-to-peer support.

# Focused business support for smaller growth-orientated social enterprises

To gain maximum results for social enterprises under £100,000 business support should be targeted on PR, marketing and branding; recruiting and managing employees; regulations and tax and accessing new markets.

# Encouraging the wider uptake and use of digital technology especially for smaller social enterprises

The use of digital technology among micro social enterprises was found to lag behind that of larger organisations. This was due to many factors including capacity, connectivity and the age/aspirations of owners. Support to encourage effective use of digital for smaller social enterprises is important.

### Stimulating financial investment

Access to appropriate finance is a key barrier to the development of social enterprises and community businesses. More work with potential investors is needed to overcome the barriers to financing growth in the sector.

### Public sector procurement

The stimulation of investment for the sector should be tied in with negotiations with major public sector commissioners in the city aiming to ensure that more expenditure is reserved for achieving social value.

### Recommendations

## PR and marketing campaign to promote social enterprises and community businesses in Plymouth

There are few social enterprises or community businesses in some sub-sectors and the general public remains largely unaware of the purpose or presence of the sector. A PR and marketing campaign targeting these sectors, i.e. construction, retail, professional and technical together with a public awareness campaign should be considered.

#### Increasing the size of the available talent pool

Recruiting new employees was a key barrier to growth for many social enterprises. Consequently, we recommend that further work is done with schools, colleges and universities in the city to ensure that young people entering the workforce are aware of the opportunities to work in social enterprise.

### Further research among survival-orientated social enterprises

Bearing in mind the closures of some social enterprises and those that are aiming to just 'survive', it seems prudent to suggest that more is done to explore the reasons for the closures and the factors leading to survival or not.

## **Acknowledgements**

Thank you to all who contributed to this report. Thanks go to Transform Research Consultancy for undertaking the research. PSEN would like to thank Power to Change for funding this work and particularly Bonnie Hewson for her support. We would also like to thank Moments Café for use of their space.

A special thank you goes to all the social enterprises and community businesses who gave up time to contribute to this research. Without you we just couldn't have done it!





